

# HOUSE RESEARCH

## Bill Summary

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**Authors:** Rukavina

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**Analyst:** Kathy Novak, 296-9253

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## Article 1: Higher Education Appropriations

### Overview

Summary of appropriations. Makes general fund appropriations of \$1.561 billion for fiscal year 2008 and \$1.644 billion for fiscal year 2009 and health care access fund appropriations of \$2.16 million each year. Total appropriations for the biennium are \$3.21 billion.

- 1 Higher education appropriations. Provides for appropriations by fiscal years.
- 2 See section 1.
- 3 Minnesota Office of Higher Education.

Subd. 1. Total appropriations. Appropriates \$198.0 million for fiscal year 2008 and \$198.6 million for fiscal year 2009.

Subd. 2. Minnesota GI bill . Appropriates \$10 million each year, with \$152,000 in FY 08 and \$104,000 in FY 09 for administrative costs. Administrative costs must be included in the 2010-2011-agency base.

Subd. 3. State grants. Appropriates \$150.154 million in FY 08 and \$151.124 million in FY 09 with authority to carry forward or back either year's appropriation. Increases the tuition and fee maximums to \$9,957 from \$9,438 for four-year programs and to \$4,717 in the first year and \$4,859 in the second year (from \$6,436) for two-year programs. Increases the living and miscellaneous allowance used to calculate the grant award from \$5,340 to \$6,241. (Two temporary increases in the LME occurred as directed in law, bringing the LME used to calculate 2006-2007 grant awards to \$6,065.) Other changes to the state grant program are made in article 3.

Subd. 4. Safety officers survivors. Appropriates \$100,000 each year for grants for dependent children and spouses of public safety officers killed in the line of duty with authority to carry forward or back either year's appropriation.

Subd. 5. Interstate tuition reciprocity. Appropriates \$2 million each year for interstate payments under the reciprocity program with authority to carry forward or back either year's appropriation.

Subds. 6 to 14. Other appropriations. Makes base level appropriations for state work study (\$12.444 million each year), child care grants (\$4.934 million each year), MnLINK gateway (\$400,000 each year), and Midwest compact (\$90,000 each year).

Increases appropriations for:

- Learning Network of Minnesota (\$4,800,000 up from \$4,225,000), Minitex (\$5,881 million each year up from \$4,381 million), and
- Minnesota college savings plan (\$1.12 million up from \$1.02 million).

Changes in the distribution of matching grants for the college savings plan are made in article 3.

Provides funding:

- \$265,000 for a grant to increase service learning and community collaboration and the Minnesota campus compact with a \$2 campus for \$1 state match requirement;
- \$100,000 each year for loan repayment and forgiveness programs;
- \$250,000 in the first year to the Augsburg program for chemically dependent students;
- \$500,000 each year for the TEACH initiative;
- \$40,000 the first year for the Washington Center for Internships, and
- \$2 million over the biennium for the ACHIEVE+ as pilot project to provide students in rural areas with academically challenging education opportunities.

Subd. 15. United Family Residency Program. Ap propriates \$360,000 each year to support up to 18 resident physicians each year for family care medicine in underserved areas.

Subd. 16. Agency administration. Appropriates \$2.69 million in FY 08 and \$2.731 million in FY 09 including \$39,000 in FY 08 and \$80,000 in FY 09 for compensation costs.

Subd. 17. Balances forward. Provides that balances in this section are available in the second year.

Subd. 18. Transfers. Authorizes the transfer of funds from other programs to financial aid programs and the reciprocity program.

Subd. 19. Reporting. Requires updated state grant projections by November 1 and February 15 considering the most recent information and consultation with representatives of postsecondary education and financial aid administrators, Finance, the governor's office, and legislative staff. Requires a report to the legislature on participation in postsecondary education comparing state grant recipients to other students on income, persistence and graduation. Authorizes the office to match student data as necessary to complete the study.

4 Board of Trustees of the Minnesota State Colleges and Universities.

Subd. 1. Total appropriations. \$668.388 million in fiscal year 2008 and \$704.288 million in fiscal year 2009.

Subd. 2. Central office and shared services unit. Appropriates \$34.2 million each

fiscal year.

Subd. 3. Operations and maintenance. Appropriates \$628.2 million in fiscal year 2008 and \$644.1 million in fiscal year 2009, including:

- funding for the board's initiatives,
- funding to reduce tuition increases to two percent in the first year and zero percent the second year,
- funding for technology with a requirement that all new positions are created at the campus without any increase in permanent positions in the office of the chancellor,
- \$400,000 each year for community-based energy pilot projects at Mesabi Range Technical and Community college, Minnesota West Community and Technical college, and Riverland Community college.
- \$750,000 onetime for a modular clean-room at St. Paul college,
- \$300,000 in FY 2008 for a study of higher education needs in the Mesabi Range region,
- \$120,000 each year and in the base for Cook County Higher Education Board,
- \$2 million in FY 08 and \$1 million in FY 09 and in the base for the Northeast Minnesota Higher Education District to reestablish technical education in area high schools including the purchase of equipment,
- \$50,000 for St. Paul college to purchase a Ford Ranger truck to retrofit as a proto type for the manufacture of battery powered vehicles,
- \$100,000 each year for expenses of a division 1 women's hockey team at a school with total enrollment of less than 7,000,
- \$450,000 each year for a workforce and economic development center at the Mesabi Range Community and Technical college to support the eFolio Minnesota system with an annual report to the IRRRB and DEED,
- \$1 million i n FY 08 to improve textbook purchasing practices in collaboration with student associations, including pilot projects with a report to the legislature.

Subd. 4. Board policies. Requires the MnSCU board to adopt policies allowing students to use waivers and other payment plans for books purchased at campus bookstores and to set the maximum credits required for a degree at 120 semester credits for a baccalaureate degree and 60 credits for an associate degree.

Subd. 1. Appropriations. Appropriates \$696.082 million in fiscal year 2008 and \$742.143 million in fiscal year 2009.

Subd. 2. Operations and maintenance. Appropriates \$611.1 million in fiscal year 2008 and \$667.6 million in fiscal year 2009, including;

- funding for the board's initiatives,
- \$2.25 million each year for banded tuition at the coordinated campuses to reduce tuition costs,
- \$7 million for scholarships, with a 2 to 1 match, to reduce the impact of rising tuition,
- \$12.4 million in fiscal year 2009 to reduce tuition increases with any amount not used for this purpose returned to the general fund,
- \$300,000 onetime for the Center for Transportation Studies to finish a greenhouse gas study with a report,
- \$250,000 each year, onetime to establish an India Center,
- \$750,000 to assist the neighborhood alliance and for projects eligible for funding,
- \$300,000 onetime for a Dakota language teacher training program on the Twin Cities campus,
- \$400,000 each year for the Institute for Sustainable Agriculture to study the prairie plants for bioenergy.

Subd. 3. Health care access fund. Appropriates \$2.2 million each year for primary care education.

Subd. 4. Special Appropriations. Appropriates \$65.8 million for fiscal year 2008 and \$65.4 million for fiscal year 2009, including the following:

- \$52.6 million and \$52.3 million for the agriculture and extension service which includes funding for research efforts to demonstrate a renewed emphasis on production agriculture, renewable energy from biomass, extending the vegetable growing season, soil fertility, disease treatment through plant and livestock cells, use of biofuels coproducts, rapid agricultural response, UMore Park research, and organic research and education with a report to the legislature on funded research;
- \$5.3 million each year for health sciences including \$346,000 each year for the St. Cloud residency program;
- \$1.4 million each year for the institute of technology,

- \$6.5 million each year for various system special appropriations including an additional \$100,000 for the industrial relations education special.

Subd. 5. University of Minnesota and Mayo Foundation Partnership. \$17 million in fiscal year 2008 and \$7 million in fiscal year 2009 and in the base is appropriated for the collaborative research partnership with an annual report to the legislature and the governor.

Subd. 6. Academic health center. Estimates that the appropriation from a dedication of a portion of the cigarette tax is \$22.2 million each year.

6 Mayo Clinic. Appropriates \$1.202 million in fiscal year 2008 and \$1.25 million in fiscal year 2009, as follows:

- \$591,000 in FY 08 and \$615,000 in FY 09 is for a capitation rate in the medical school for each Minnesota resident student to increase doctors practicing in rural areas, with authority to transfer money as needed between years and with the base for the next biennium set at \$640,000 in FY 10 and \$665,000 in FY 11;
- \$611,000 in FY 08 and \$635,000 in FY 09 for a stipend to support up to 27 residents and the base set at \$660,00 in FY 10 and \$686,000 in FY 11.

7 Accommodations. Requests the University of Minnesota and requires MnSCU to not authorize state appropriations to modify facilities or provide other accommodations to religious groups unless it uses an equal amount of state funds available to other religious groups requesting an accommodation.

8 Legislative commission on postsecondary funding. Establishes a 12 member legislative commission on postsecondary funding-six members each from the house of representatives and the senate-to develop an alternative funding formula or method for postsecondary education. The commission must report to the legislature by June 30, 2008.

9 University of Minnesota Minneapolis area neighborhood alliance. Defines the following terms:

- *Alliance* is a representative body including the University of Minnesota, the city of Minneapolis, neighborhood organizations and business associations;
- *Board* is the Board of Regents;
- *Report* is the report *Moving Forward together; University of Minnesota Minneapolis Area Neighborhood Impact Report*;
- *University partnership district* is the neighborhoods around the University;
- *University* is the University of Minnesota.

Provides authority to the alliance for projects to maintain the district as a viable place for study, research, and living. Projects include those outlined in the report, and others to improve the area. Requires the Board to report to the legislature by January 15, 2009, on the use of money appropriated for this purpose.

10 Minnesota Office of Higher Education Financial Aid Study. Requires the Office to evaluate financial aid and loan programs with respect to the needs of the workforce for occupations that are in demand. The study must identify options for targeting aid as an incentive for high demand occupations such as speech pathologists. Requires a report to the legislature by February 15, 2008 with recommendations.

### **Article 2: Minnesota GI Bill for Veterans**

1 Responsibilities. Assigns administrative responsibility to the Minnesota Office of Higher Education.

2 Minnesota GI Bill Program. Creates new law in Ch. 197 for the *Minnesota GI Bill Program*

Subd. 1. Policy established. To provide educational benefits to Minnesota veterans who have served honorably in peacetime or war, and to the spouses and children of veterans who have died or become disabled due to their military service.

Subd. 2. Definitions. Key definitions include:

- *Cost of Attendance* - defined by cross-reference to existing statute in the State Grant Program administered by the Office of Higher Education. It consists of tuition and fees, as well as a specified amount at any given institution for living and miscellaneous expenses.
- *Eligible Institution* - Includes any approved public or private postsecondary educational institution in Minnesota.
- *Eligible Student* - the veteran or surviving spouse or dependent must have applied for both the federal Pell Grant and the State Grant, and must be making satisfactory academic progress while enrolled half-time or more in an undergraduate program, must apply for this program before the end of the semester (not for reimbursement after the fact), and must meet other requirements.
- *Veteran* - defined by cross reference to Chapter 197, and also includes a service member who has met the qualifications for becoming a veteran but who is still serving in active military duty.

Subd. 3. Program establishment. Establishes the program, the citation as the Minnesota GI Bill Program, and stipulates that it is funded by a biennial appropriation to the Office of Higher Education. Requires public institutions to participate.

Subd. 4. Duties; responsibilities. The director of the Office of Higher Education, in consultation with the commissioner of Veterans Affairs, shall establish policies and procedures for managing the program. The director may delegate any administrative responsibilities to the participating eligible institutions.

Subd. 5. Eligibility. Establishes eligibility criteria including: a veteran with honorable

active service at any time since the start of the Persian Gulf War (Aug. 2, 1990); a non-veteran who has served honorably for 16 years or more as a member of the Minnesota National Guard or other Reserves, with any part of that service after the start of the Persian Gulf War; the surviving spouse or child of such veteran who has died as a result of that military service; the spouse or child of such veteran who has a *total and permanent service-connected disability*.

In addition, the veteran or service member must have had Minnesota as the person's *state of residence* at the time of the person's initial enlistment or any reenlistment.

Additionally, the person receiving the benefits must be a *Minnesota resident*, defined by cross-reference to existing Office of Higher Education program statutes.

And finally, the person receiving the benefit must be an *eligible student*.

Paragraph (b) stipulates that eligibility terminates when a person becomes eligible for *senior citizen* rates at public postsecondary institutions (age 62).

Paragraphs (c) and (d) specify types of proof that may be required to establish eligibility, and establish an eligibility appeals process, with final authority resting with the director.

Subd. 6. Benefit Entitlement Amount. Applicants, if approved, are funded to the extent of the appropriation.

Paragraph (b) - calculation formula. In any semester, the amount of the educational assistance for an eligible person is:

- the *cost of attendance* at that public institution:
- minus the amount of the federal Pell Grant, if any;
- minus the amount of the State Grant amount, if any; and
- minus the amount of all other federal military or educational benefits being received by the person, if any.

This calculation formula provides that the Minnesota GI Bill grant amount is the last-dollar-in.

Paragraph (c) - Maximum Amounts.

- \$1,250 per semester for full-time enrollment;
- \$3,570 per state fiscal year; and

- \$10,000 total during the person's lifetime.

Effective date. July 1, 2007.

3 Annual review and recommendation. Requires the director and commissioner to review participation and make recommendations to the legislature on benefits and funding.

### **Article 3: Related Higher Education**

## **Overview**

This article makes changes to the Office of Higher Education (Office), establishes new grant and loan repayment programs, and makes changes to existing programs for higher education.

1 Minnesota Office of Higher Education.; data sharing. Eliminates a citation to a section repealed in this article governing data sharing.

2 Construction management education program. Establishes a 25-cent surcharge on nonresidential construction permits and an account to the deposit the funds that are used to support the construction management education program managed by the office of higher education and established in this article.

3 Establishment; membership; Minnesota Agriculture Education Leadership Council. Expands membership to 17 members by adding a representative of the Minnesota Private Colleges Council.

4 Revision and reviews required. Requires the commissioner of education and MnSCU to ensure that passing grades on the 11<sup>th</sup> grade mathematics test and 10<sup>th</sup> grade reading and language tests indicates that a student is ready for college courses immediately after graduation.

5 Graduation requirements; course credits. Adds a requirement that the commissioner of education communicate college readiness expectations to all high school students in Minnesota by the beginning of ninth grade.

6 Reports. Requires public postsecondary systems to report on instructional expenditures and enrollment to the Office and Finance for inclusion in the biennial budget documents. A data advisory task force must consult on specific data reporting requirements.

7 Resident tuition. Establishes criteria for qualifying for resident tuition based on a student attending a Minnesota high school for three years, graduation or attainment of a GED and registration or enrollment in a public postsecondary institution.

8 Appropriation; contract buyout. Prohibits the governing boards of the University of Minnesota and the Minnesota State Colleges and Universities from using state appropriations for the direct or indirect cost of early terminations of the athletic departments.

9 Performance and accountability. Eliminates a requirement that public postsecondary systems report on performance using measures for a performance funding provision that is repealed in this article.

10 College readiness. Requires MnSCU, with the commissioner of education, to establish assessments for 10<sup>th</sup> and 11<sup>th</sup> grade students to ensure that passing scores represent college readiness. College readiness is defined as being able to take college courses immediately after graduation. MnSCU admission materials must indicate the level of academic preparation required to take college courses after high school graduation.

- 11 Definitions. Updates a citation.
- 12 Senior citizen. Expands eligibility for seniors, 62 and older, to take classes at public postsecondary institutions to include persons 60 or older who receive a railroad retirement annuity.
- 13 Fees and tuition. Clarifies that the public postsecondary governing boards may set administrative fees for senior citizens taking college classes in an amount to recover costs.
- 14 Term; income of senior citizens. Eliminates professional continuing education programs from the types of education that are excluded from the senior citizen education benefits.
- 15 Definitions. Adds a new definition section for the chapter governing the Office of Higher Education and defines "office" to mean the Office of Higher Education.
- 16 Responsibilities. Updates a statutory reference in the definition section on the Office's responsibilities.
- 17 Expiration. Repeals the expiration of student advisory groups.
- 18 Collecting fees. Updates a statutory reference in the section authorizing the office to charge fees.
- 19 Reporting; reciprocity. Adds a requirement to an existing report. by the Office of Higher Education to include summary statistics on graduates, degrees, and graduation year for reciprocity students attending Minnesota institutions.
- 20 Eligible institutions. Clarifies a definition of institutions eligible to participate in financial aid programs. Requires private institutions to be registered or licensed and be a Pell grant participant by July 1, 2011.
- 21 Grant stipends. Decreases the student share to 45.5 percent of the cost of attendance from 46 percent. The student share is one of factors used to calculate the value of a state grant. Costs at the postsecondary institution selected by the student are used for the cost of attendance.
- 22 Eligible students. Clarifies the enrollment status treatment for students who get an additional semester of state grant eligibility after withdrawing for active military service.
- 23 Teacher education and compensation helps; Minnesota early childhood teacher retention programs. Creates § 136A.126.

Subd. 1. TEACH. Establishes the teacher education and compensation helps (TEACH) program to provide tuition scholarships, education incentives, and an early childhood teacher retention program. Requires the director of the Minnesota Office of Higher Education to transfer funds provided through a grant to a nonprofit organization licensed to administer TEACH.

Subd. 2. Program components. Paragraph (a) lists the activities for which the nonprofit organization must distribute funds, including tuition scholarships and education incentives.

Paragraph (b) lists the criteria applicants must meet in order to receive a scholarship. Gives higher priority to lower wage earners when awarding scholarships. Requires scholarship recipients to contribute 10 percent of the total scholarship and be sponsored by their employers, who must also contribute to the scholarship. Requires scholarship recipients who are self-employed to contribute 20 percent of the total scholarship.

Paragraph (c) requires the organization to also distribute funds for teacher retention incentives. Lists the criteria applicants must meet in order to receive a retention incentive. Gives lower wage earners high consideration. Specifies on what the

amount of the incentive must be based. Lists eligibility criteria providers must meet in order to be eligible for the retention incentive.

Subd. 3. Advisory committee. Requires TEACH and the Minnesota early childhood teacher retention programs to have an advisory board as prescribed by the national TEACH organization.

24 Construction management education program. Establish a program to make awards to improve construction management courses at MnSCU institutions from the account and surcharge in section 2. Authorizes an advisory board consisting of representatives of designated contracting organizations and public postsecondary education. Grants may be awarded from the account to MnSCU institutions for construction management education, for specified degrees, and to develop curriculum meeting certain criteria in specified amounts based on \$3,000 per eligible graduate up to maximum awards of \$20,000 to \$100,000 or \$25,000 per year for an accreditation award.

Requires annual reports from each institution receiving a grant on enrollment, placement of graduates, and continuing education offerings in construction management.

Authorizes up to \$15,000 a year from the account for the administration of the program.

25 Scope. Technical change.

26 Eligible institution. Clarifies a definition of institutions eligible to participate in student loan programs. Requires private institutions to be registered or licensed and be a Pell grant participant by July 1, 2011.

27 Payments; work study. Authorizes payment for one term in an academic year when a student is not enrolled or enrolled less than half time, if the student enrolls at least half time the next academic term.

28 Revenue bonds; limit. Increases the revenue bond limit for the higher education facilities authority from \$800 million to \$950 million.

29 Grants; intervention for college attendance. Expands the purpose for the existing grant program to include college retention in addition to attendance. Expands the population receiving outreach services to include historically underrepresented college students.

30 Eligible students; intervention for college attendance. Specifies that undergraduates are eligible if they met the eligibility criteria when they were in 6<sup>th</sup> through 12<sup>th</sup> grade.

31 Application process. Incorporates postsecondary retention into the application process for the grant program.

32 Program evaluation. Incorporates undergraduate retention into the report and evaluation for the grant program.

33 Membership; Board of Trustees. Increases the number of trustees on the governing board of the Minnesota State Colleges and Universities to 17 from 15, including two members of the AFL-CIO appointed by the governor.

34 Union member selection. Requires the AFL-CIO to develop criteria and a process to recommend four candidates for the MnSCU board to the governor. Two of the candidates must be appointed.

35 Time reporting. Eliminates an obsolete reporting requirement.

36 Activity funds. Eliminates the reference to the deposit of activity funds (amounts related to the administration and provision of supplemental student activities) into the state treasury.

37 Banking services. Authorizes the Board of Trustees to control the deposit of all MnSCU receipts including appropriations, tuition and fees, activity funds and other revenues into

depositories selected by the board. The board's authority includes specifying all conditions related to deposits and the depository, and compensation or consideration for depository services.

38 Amount of matching grant. Increases the college savings program matching grant by \$100 to a maximum of \$400 for annual family income of \$50,000 or less, and to ten percent of contributions for family income between \$50,000 and \$80,000 from the five percent in current law.

39 Minnesota West Community and Technical College at Worthington; YMCA lease agreement. Authorizes the MnSCU Board of Trustees to enter into a 40-year lease agreement for campus land to construct a YMCA facility consistent with MnSCU building standards and the campus master plan.

40 Interest rate swap and other agreements; implementation plan. Authorizes the office to develop a plan to implement various types of agreements in conjunction with their bonding authority and to report to the legislature by January 15, 2008.

41 Repealer. (a) Repeals the funding policies and procedures for public higher education including Minnesota Statutes, 135A.031, subdivisions 1 to 6 (providing appropriations for instructional services for certain enrollments, adjustments for performance and change items), 135A.032 (appropriations for noninstructional services), and 135A.033 (performance funding). Repeals sections 136A.07 (a requirement for the Office of Higher Education to report in even number years with information to be included with the governor's budget), and 136A.08, subdivision 8 (data sharing request for the Office to develop data collection procedures for monitoring students participating in reciprocity agreements).

(b) Repeals Minnesota Statutes, sections 137.0245 the regent candidate advisory council and 137.0246 the process for making regent candidate recommendation to the legislature.

#### **Article 4: Textbook Pricing and Access**

### **Overview**

This article establishes procedures for providing information on the costs and formats of textbooks and instructional materials.

1 Textbook disclosure, pricing and access.

Subd. 1. Short title. Provides that the section may be cited as the Textbook Disclosure, Pricing and Access Act.

Subd. 2. Purpose and intent. States the purpose is to ensure students have better access to affordable course materials through improved education and cooperation of everyone involved in the selection, sale, and purchase of these materials.

Subd. 3. Definitions. Defines the following terms:

- *Bundled* means packaging together of material for sale;
- *Bookstore* means a store affiliated with a campus or under contract to sell material to students;
- *Course material* means textbooks and other instructional material sold

to students;

- *Custom course material* means material packaged or sold for a specific course;
- *Distributor* means a contractor that sells, distributes, inventories or markets materials for bookstores or postsecondary institutions;
- *Postsecondary institution* means an institution in Minnesota eligible to participate in the state grant program;
- *Publisher* means an organization that sells or contracts for the sale of course materials to postsecondary institutions or bookstores.

Subd. 4. Publisher disclosure. Requires publishers or distributors to provide on a Web site, in a publication or in writing, if requested, identifying information on course material including the price, the format (bundled or unbundled), price of components for bundled materials, availability of alternative formats, recent revisions, and return policies. The information must be available beginning January 1, 2008. Faculty or others who select course material may make a written request for information, which a publisher must respond to in seven days. Disclosure is not required for mass market or trade books.

Subd. 5. Payment for course material. Directs each postsecondary institution to adopt policies that let students include payment for course material purchased at an affiliated bookstore in the same payment plan for tuition and fees.

Subd. 6. Notice to purchase. Requires instructors to make an effort to notify bookstores of their orders 30 days or more before the term begins. A bookstore must provide students with identifying information on the course material, including the prices, the available formats, prices for bundled and unbundled components, and price and availability of alternative formats.

Subd. 7. Educational strategies. Requires the Office of Higher Education to work with postsecondary institutions during the next biennium on educational materials and sponsor events to provide education for all involved individuals and entities on strategies for reducing the students' costs of course materials.

The office is also required to develop and maintain an electronic form that can be used to request information from publishers.

## **Article 5: Private Institutions**

### **Overview**

Article 5 changes the Office of Higher Education regulation of private postsecondary institutions.

- 1 Policy. Clarifies that private schools are included in the state policy for higher education, including both for profit and nonprofit institutions.
- 2 Citation. Authorizes citation as the Minnesota Private and Out-of-State Public

Postsecondary Education Act

- 3 School. Changes the definition used to regulate private schools to include schools located outside Minnesota that contract with Minnesota schools to provide postsecondary education to Minnesota residents.
- 4 Registration. Clarifies requirement for annual registration includes offering degree programs.
- 5 Information required for registration. Specifies the information that must be accompanied by an affidavit, including information on business organization, financing, officers and faculty, and information on the school facilities and offerings. Provides the Office with authority to request and verify information, assess penalties, and recover expenses.
- 6 School closure. Requires a school to cooperate with the Office to minimize disruption to students when the school closes by providing specified information.
- 7 Additional security. Requires an institution to post a \$10,000 to \$250,000 bond if it has been notified by the federal government that it is below standards for participation in federal financial aid.
- 8 Approval of degrees and name. Requires accreditation by a recognized organization to be registered to offer a degree. Specifies the business and academic information that a school must provide the Office to register degrees and get name approval. Sets standards for degree approval including teachers, programs, and facilities necessary. Provides for the use of the terms *academy*, *institute*, *college*, and *university*. Allows a grandfathered approval of names in use before August 1, 2007. Also provides for an appeal process for disapproval of a name.
- 9 Exemptions. Updates citations.
- 10 Exemption; religious schools. Updates citations. Requires a statement of the religious nature of academic awards by institutions with an exemption.
- 11 List. Clarifying change-replacing *schools* with *registered institutions*.
- 12 Unauthorized representations. Specifies which statements may be used by registered institutions to refer to their status as being registered by the office.
- 13 Risk analysis. Requires the Office to develop standards for evaluating the potential for schools to fail or fall below standards, including measures of financial stability and non-financial trend analysis, using regularly reported data.
- 14 Records. Replaces existing record keeping requirements for registered schools with requirements that each school, including distance schools with Minnesota students, keep specified student records for 50 years and file a record keeping plan that meets listed requirements.
- 15 Fees. Establishes new registration fees for adding a degree level (\$2,000 per program), adding a program (\$500 per program), fact-finding or office visits (\$300 base fee, \$300 per team member per day for site visits plus travel costs), and to modify programs (\$100 if the change is 25 percent or more from approved time measure or content, or a change in academic measures).
- 16 Penalty. Provides that failure to comply with the requirement for registration is a violation subject to a fine not to exceed \$500 per day.
- 17 Technical. Changes to update citations.
- 18 Office of Higher Education; office. Defines *office* to mean the Office of Higher Education in the chapter on licensing postsecondary schools.
- 19 School. Clarifies the definition that excludes registered private institutions and exempt private institutions.
- 20 Technical. Changes to update citations or clarify requirements.

- 21 Technical. See section 20
- 22 Technical. See section 20
- 23 Catalog, brochure, or electronic display. Adds a notice to students on transferability of credits to the requirements for licensing applicants under current law
- 24 Technical. Changes to clarify requirements.
- 25 Technical. Changes to clarify requirements.
- 26 Renewal licensure fee; late fee. Adds a \$3,000 maximum to the \$100 per day late fee for license renewals in current law.
- 27 Contract information. Adds a prohibition to the current requirements for enrollment contracts used by schools that they cannot include a wage assignment provision or a confession of judgment clause.
- 28 Cancellation occurrence. Clarifies requirements for when a student is considered to have withdrawn.
- 29 Instrument not to be negotiated. Technical change
- 30 Disclosure required. Clarifies the existing requirements for disclosure and advertisements.
- 31 Penalty. Clarifies the existing authority to impose penalties for failure to comply and sets a maximum fine of \$500 per day per violation of requirements.
- 32 Exemptions. Makes conforming changes to the exemptions and eliminates an exemption for driver training schools.
- 33 Exemption; religious schools. Exempts religious schools or departments owned by bona fide religious organizations or churches offering programs particular to the faith and intended to prepare students for religious vocations or religious life from the licensing requirements. Requires a statement of the religious nature of academic awards by institutions with an exemption.
- 34 Effective date; transition process. Requires qualifying schools to change their registration or licensing status before the expiration of their current registration or license. Authorizes the Office to extend existing licenses or registrations, as necessary, to facilitate the new process.